



Asset Vision®

25 January 2024

ASX ANNOUNCEMENT

Quarterly Activity Report and Appendix 4C

Q2 FY24

Asset Vision Co Limited (ASX: ASV) (**Asset Vision** or the **Company**), is pleased to provide its quarterly business update and Appendix 4C for the period ended 31 December 2023 (Q2 FY24).

The Group is delighted to announce that it recorded positive operating cash flow in the second quarter of FY24 and a 55% increase in the closing cash position since the end of the first quarter.

Key Financial Highlights

- ▲ **41%** increase on FY23 Q2 Annual Recurring License Revenue (ARR): \$3.1m
- ▲ **33%** increase on FY23 Q2 Licensing Revenue: \$732k
- ▼ **24%** decrease on FY23 Q2 Operating Expenses: \$1,144k
- ▲ **55%** increase on FY24 Q1 Closing Cash Balance: \$832k

Commenting on the Q2 results, Asset Vision's Co-CEO, Lucas Murtagh said:

"We are pleased to announce that good momentum has continued into Q2 with solid pipeline growth and the finalisation of important contract renewals with major Government customers. The launch of AutoPilot continued into Q2 with multiple trials now in progress within State and Local Government Authorities in addition to Major Road Contractors. Critical functions such as disaster recovery, emergency response and claims are driving demand for the product. We expect that a number of these trials will translate into new ARR in the second half of FY24.

Several new deals relating to the core Asset and Work Management Platform reached proposal stage in the quarter. These deals included the Victoria Metro Road Maintenance contracts which are scheduled to commence 1 July 2024, a multi-year contract with a water utility authority and the rollout to multiple Local Government Authorities. Several other deals are progressing through the pipeline which, if won, would see ARR growth in WA, Queensland, and Southeast Asia.

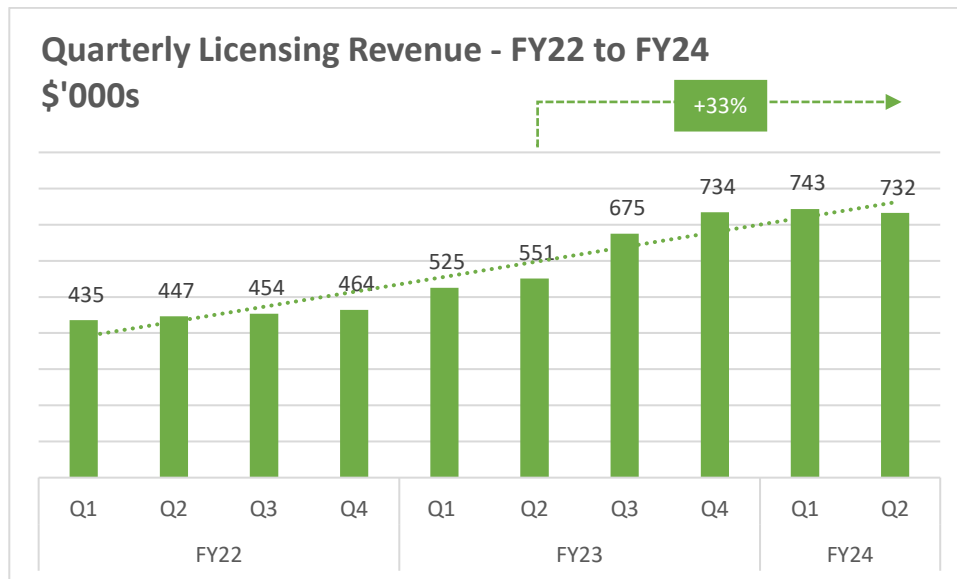
From a cash flow perspective, we ended the quarter with a cash balance of \$832k. We are forecasting positive cashflows for the second half of the financial year and expect to end the full year with an improved cash flow position."

Financial Overview

Revenue Performance and ARR

Asset Vision's licensing revenue was \$732k for Q2 FY24, a **33% increase from the prior corresponding period (pcp) (Q2 FY23: \$551k)**.

Growth since the end of the financial year has been generated through our contract win with the South Australian Government and an increase in price on a key contract renewal.



Asset Vision exits the second quarter of FY24 with a contracted ARR of \$3.1m representing a **net annual increase of 41% since the end of Q2 FY23**.

Total turnover for Q2 FY24 of \$886k **represents a decline of 11% against pcp (Q2 FY23: \$993k)** driven by lower project implementation revenue.

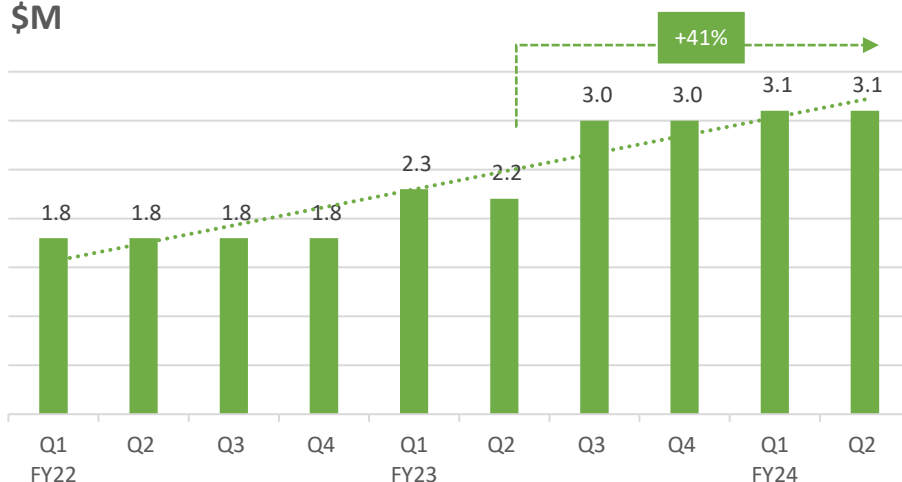
Customer Activity and Sales Pipeline

During the quarter, we finalised contract extension negotiations with the NSW State Government (TfNSW) for a 2+2 year term. TfNSW also selected Asset Vision as its work register for its Forward Works Programme across Regional NSW. This project will bring expansion revenue across TfNSW and see the platform rolled out to a new user base across TfNSW and Regional Councils.

The key focus in the growth of our pipeline continues to be AutoPilot. Since its launch we have seen strong interest from both Local and State Government customers. Multiple customers are now trialling the product and are seeing significant benefits in what AutoPilot can deliver to support critical areas such as Disaster Recovery Funding Arrangements (DRFA), Emergency Response and Claims Management.

Several new deals relating to the core Asset and Work Management Platform reached proposal stage during the quarter. These deals included the Victoria Metro Road Maintenance contracts which are scheduled to commence 1 July 2024, a multi-year contract with a water utility authority and the rollout to three Victorian Local Government Authorities. Several other deals are progressing through the pipeline which would see further ARR growth in Australia, New Zealand and Southeast Asia.

End of Quarter ARR - FY22 to FY24 \$M



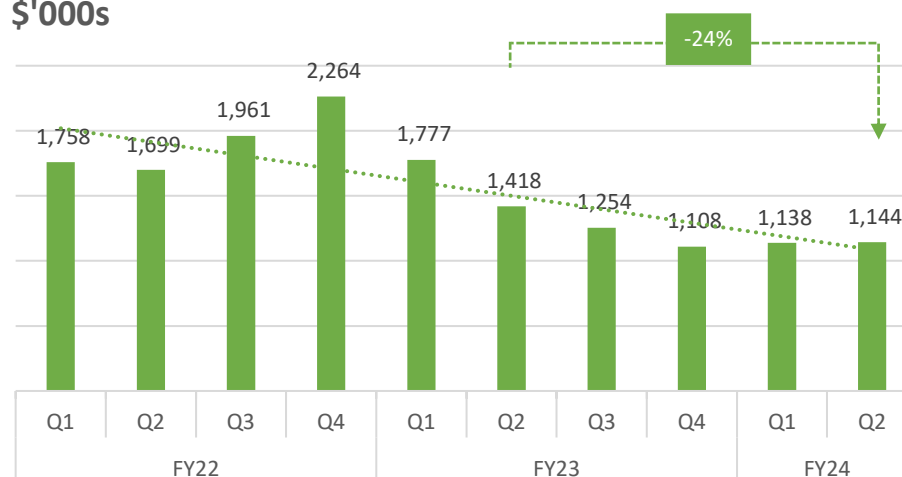
Operating Expenses

Operating expenses have stabilised since the completion of the cost management program, and we have demonstrated that the business is able to grow on a fundamentally altered cost base.

Total operating costs for the Company were \$1,144k for Q2 FY24, a **24% reduction from pcp** (Q2 FY23: \$1,418k).

All costs incurred on R&D activity continue to be expensed through the statement of profit and loss. Any R&D claim will be treated as income during the reporting period received.

Quarterly Operating Expenses - FY22 to FY24 \$'000s



Cash Flow

The Company recorded net cash inflows from operating activities of \$416k for the quarter which included the receipt of an R&D Tax offset of \$570k in respect of FY23 activities.

Cash at bank **increased 55%** quarter on quarter and is \$832k as at 31 December 2023.

The Company continues to meet its scheduled quarterly deferred consideration payments of \$125k owing to the vendors of EagleSoft with the application of operating cash flows.

General Administration

During the quarter, we received communication from 1derful Group Pty Ltd (1derful) advising that 1derful has been placed into external administration.

Outlook

The company ended the quarter in much stronger cash position. With positive cash flows forecasted for the second half of the year and a growing product capability and pipeline, we're confident that we're in a strong position for sustainable growth.

This announcement has been authorised for release by the Board of Directors.

- ENDS -

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Asset Vision Co Limited

ABN

50 164 718 361

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	935	2,115
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(240)	(567)
(c) advertising and marketing	(31)	(31)
(d) leased assets	-	-
(e) staff costs	(726)	(1,470)
(f) administration and corporate costs	(92)	(251)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	570	570
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	416	366
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	(125)	(250)
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(125)	(250)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	537	715
4.2	Net cash from / (used in) operating activities (item 1.9 above)	416	366
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(125)	(250)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	4	1
4.6	Cash and cash equivalents at end of period	832	832

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	832	537
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	832	537

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	27
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
6.1 comprises director's fees for the quarter		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Credit card facility)	75	6
7.4 Total financing facilities	75	6
7.5 Unused financing facilities available at quarter end		69
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. ANZ credit card facility - unsecured		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	416
8.2 Cash and cash equivalents at quarter end (item 4.6)	832
8.3 Unused finance facilities available at quarter end (item 7.5)	69
8.4 Total available funding (item 8.2 + item 8.3)	902
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? <div style="border: 1px solid black; padding: 5px;"> Answer: N/A </div>	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? <div style="border: 1px solid black; padding: 5px;"> Answer: N/A </div>	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? <div style="border: 1px solid black; padding: 5px;"> Answer: N/A </div>	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 25 January 2024

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.